



Staff Analysis

STATE PUBLIC WORKS BOARD

Friday, January 11, 2019 at 10:00 a.m. in

Room 113, State Capitol, Sacramento, California

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Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the Public may address the Board prior to it taking action on any matter in the agenda.

This notice and the Board agenda for the current month are available on the Internet at: <http://www.spwb.ca.gov>.

Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Kathryn Lee at (916) 445-9694 or e-mail to Kathryn.lee@dof.ca.gov, five days prior to the meeting.

MINUTES

Consider approving the minutes from the December 14, 2018 meeting.

Staff have reviewed the minutes from the December 14, 2018 meeting and recommend approval of those meeting minutes.

Staff Recommendation: Approve minutes from the December 14, 2018 meeting.

CONSENT ITEM

CONSENT ITEM—1

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225) HEALTH CARE FACILITY IMPROVEMENT PROGRAM

Authority: Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the California Government Code

Consider:

- | | |
|---|--|
| a) Approving allocation of authority to four Healthcare Facility Improvement Program (Program) projects | \$18,030,000 |
| b) Approving an augmentation for one Program project | \$1,024,000 |
| | (0.1 percent of total authority) (17.8 percent cumulative) |
| c) Recognizing revised project cost for four Program projects | |

CONSENT ITEM

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
Health Care Facility Improvement Program
Statewide

Action Requested

If approved, the requested action would approve the allocation of authority for four Health Care Facility Improvement Program (Program) projects, approve an augmentation for one Program project, and recognize revised project costs for four Program projects as shown in Table 1.

Scope Description

These projects are within scope. The Department of Corrections and Rehabilitation (CDCR) has statewide projects to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. Nine projects provide a range of mental health services, such as Enhanced Outpatient Program treatment and office space, Intermediate Care Facilities, psychiatric services, and mental health crisis beds. These nine mental health projects have been completed.

The Program projects are part of CDCR's strategy to address statewide prison health care system deficiencies. The Board established 25 Program projects to support health care operations by improving the infrastructure necessary to provide a variety of health care services, including primary care, specialty care, laboratory, medication distribution, pharmacy, health records storage, and related health care administration.

Funding and Project Cost Verification

These projects are not within cost. Sections 15819.40(b) and (c) and 15819.401 through 15819.404 of the Government Code appropriated \$900,419,000 lease revenue bond financing authority to the Department of Corrections and Rehabilitation (CDCR) to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. The amount authorized in Section 15819.40 (b) of the Government Code was adjusted by Chapter 44, Statutes of 2018, and appropriated an additional \$43 million to fund existing Program projects for a total authorized amount of \$943,419,000. This appropriation provided \$193.1 million for nine projects to provide a range of mental health services, such as Enhanced Outpatient Program treatment and office space, Intermediate Care Facilities, psychiatric services, and mental health crisis beds. These nine mental health projects have been completed. The remaining \$750,419,000 within the appropriation has been allocated for the 25 Program projects. To date, this appropriation has been augmented by \$167,105,000 for Program projects (17.7 percent).

In November 2018, the Board allocated \$24,970,000 of the additional \$43 million in authority for 13 projects. At this time, CDCR is requesting to allocate the remaining \$18,030,000 of these funds to four Program projects as seen in Table 1. Additionally, CDCR is requesting an augmentation for the Central California Women's Facility in the amount of \$1,024,000 (0.1 percent, 17.8 percent cumulatively) in addition to the allocation of additional spending authority in the amount of \$3,773,000, which brings the total project cost to \$23,893,000. These adjustments stem from a combination of increases in project costs that are a result of unforeseen variables that materialized during the construction phase of these Program projects.

Table 1. Revised Program Project Costs			
HCFIP Projects	Cost Adjustment	Augmentation	Revised Project Cost
California Correctional Institution, Kern County	\$4,181,000	\$0	\$38,952,000
Central California Women's Facility, Chowchilla	\$3,773,000	\$1,024,000	\$23,893,000
California Men's Colony, San Luis Obispo	\$6,312,000	\$0	\$70,694,000
High Desert State Prison, Susanville	\$3,764,000	\$0	\$28,921,000
Total	\$18,030,000	\$1,024,000	\$162,460,000

Costs have escalated for a number of reasons, as previously outlined in the Staff Analysis for the April 12, 2018 Board meeting.

We note that a number of Program project budgets are still under review and there may be a need for additional actions to bring all the Program projects to completion. CDCR is making progress on the construction of this Program. Of the 25 prisons that have Program projects funded from this appropriation, one prison was completed in 2017 and four prisons will have construction completed by the end of 2018. Approximately 10 additional prisons are projected to have construction completed during 2019. The remaining projects funded from this

appropriation are scheduled for completion in 2020. As of November 2018, construction activities for the overall Program are approximately 60 percent complete.

On December 17, 2018, the Department of Finance notified the chairs of the Joint Legislative Budget and fiscal committees in each house of its intent to recommend the Board approve the allocation of additional spending authority and augmentation no sooner than 20 days from that date.

\$1,110,524,000 Total authorized project cost

\$1,111,548,000 Total estimated project cost

\$1,092,494,000 Project costs previously allocated: \$36,466,000 for preliminary plans, \$48,511,000 for working drawings, and \$1,007,517,000 for construction (\$676,401,000 contract, \$41,068,000 contingency, \$57,343,000 A&E, \$93,847,000 other project costs, and \$138,858,000 agency retained items)

\$18,030,000 Project costs to be allocated: \$18,030,000 for construction (\$10,146,000 contract, \$609,000 contingency, \$605,000 A&E, \$3,970,000 other project costs, and \$2,700,000 agency retained)

\$1,024,000 Augmentation to be allocated: \$1,024,000 for construction (\$796,000 contract, \$48,000 contingency, \$55,000 A&E, \$71,000 other project costs, \$54,000 agency retained)

CEQA

Notices of Exemption were filed with the State Clearinghouse on various dates, and the 35-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for these projects were completed on various dates, and no issues that would adversely affect the beneficial use and quiet enjoyment of these projects were identified.

Project Schedule

Approve Preliminary plans	Various
Complete working drawings	Various
Start construction	Various
Complete construction	Various

Staff Recommendation: Approve the allocation of authority for four Health Care Facility Improvement Program (Program) projects, approve an augmentation for one Program project, and recognize revised project costs for four Program projects as shown in Table 1.

CONSENT ITEM

CONSENT ITEM—2

DEPARTMENT OF FOOD AND AGRICULTURE (8570)
16th DISTRICT AGRICULTURAL ASSOCIATION
MID-STATE FAIRGROUNDS-PIONEER PARK
SAN LUIS OBISPO COUNTY

*Authority: Sections 4051(a)(10) and 4481(b) of the Food and Agriculture Code
Section 15853 of the Government Code*

Consider authorizing site selection of real property

CONSENT ITEM

STAFF ANALYSIS ITEM—2

Department of Food and Agriculture
16th District Agricultural Association
Mid-State Fairgrounds-Pioneer Park
San Luis Obispo County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. This request is for site selection of approximately 5.5 acres of city-owned land, located on Riverside Avenue between Gregory Avenue and 19th Street in the city of Paso Robles, San Luis Obispo County (the Property). The 16th District Agricultural Association (DAA) intends to use property to provide additional parking areas for Mid-State Fair operations.

Funding and Cost Verification

This project is within cost. The DAA has garnered sufficient funds to purchase the subject Property through revenues deposited into an account approved by the Department of Finance, in accordance with Food and Agriculture Code Section 4481. There are sufficient resources to cover due diligence, appraisal and reviews, environmental services and escrow costs associated with the acquisition, which are estimated to total \$1 million. The DAA adopted approval for the expenditure of these funds on the acquisition of this Property on December 16, 2015. Since 2016, the DAA has been working with the City and the Department of General Services (DGS) to bring this acquisition to fruition.

CEQA

Environmental review and appropriate California Environmental Quality Act documentation will be completed if this project comes before the Board for acquisition approval.

Project Schedule

Anticipated close of escrow: May 2019

Condition of Property

DGS conducted a site visit to view the Property in January 2019. The Property is to be acquired for the benefit of the Mid-State Fairgrounds operations located north of the subject site.

The Property is flat with park-type improvements including a baseball field, basketball court, parking areas and open space. The grounds are in good condition with maintained grass and a

few mature oak trees and grey pines. Overhead lighting surrounds the baseball field. A dirt parking area is located adjacent to the outfield. Additional paved and striped parking is located between the basketball court and 19th Street. Pioneer Park restrooms are located on the park property that is not a part of the acquisition. Electric power and water is available on the site. Residential single-family homes and apartments are located on the south side of 19th Street directly across from the Property.

The Federal Emergency Management Agency flood zone designations for portions of the Property are defined as areas of moderate flood hazard between the limits of the 100 year and 500 year floods. These areas have a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over a 30-year period. Because this Property will be used for parking and/or special events, this minimal chance of flooding should not affect the value or intended use of the Property. Any future designs for the development of this property will be fully studied regarding grading and engineering for appropriate drainage.

Other:

- It is anticipated that the purchase price will not exceed the estimated fair market value of the Property as determined by a DGS approved appraisal.
- The proposed site meets the physical and location requirements of DAA.
- DAA is not aware of any lawsuits pending concerning the Property. The Property Acquisition Agreement will require delivery of title to the Property free and clear of any mortgages or liens.

Staff Recommendation: Authorize site selection.

ACTION ITEM

ACTION ITEM—1

HIGH SPEED RAIL AUTHORITY (2665) INITIAL OPERATING SEGMENT, SECTION 1 VARIOUS COUNTIES

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1) as reappropriated by the Budget Act of 2018
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1) as reappropriated by the Budget Act of 2018
Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)
Section 39719(b) (2) of the Health and Safety Code
Section 39719.1 of the Health and Safety Code
Section 15854 of the Government Code*

Consider rescinding the following Resolutions of Necessity authorizing the use of eminent domain to acquire the following properties:

- 1. Resolution of Necessity 2018-0019
Chatha Property (Fresno County)
Authority Parcel Number: FB-10-1340-1
Assessor Parcel Number: 338-110-68s (formerly designated as 338-110-26s)**

2. **Resolution of Necessity 2018-0028**
Brazil Property (Kings County)
Authority Parcel Numbers: FB-16-0762-1 and FB-16-0762-2
Assessor Parcel Number: 028-080-003
3. **Resolution of Necessity 2018-0026**
Machado Property (Kings County)
Authority Parcel Numbers: FB-16-0768-1, FB-16-0769-1, FB-16-0769-2, FB-16-0771-1, FB-16-0771-2, FB-16-0771-3, FB-16-0772-1, and FB-16-0772-2
Assessor Parcel Numbers: 028-205-001 and 028-205-004
4. **Resolution of Necessity 2018-0027**
De Jong Property (Kings County)
Authority Parcel Numbers: FB-16-0763-1, FB-16-0763-2, FB-16-0763-3, FB-16-0764-1, FB-16-0764-2, FB-16-0764-3, FB-16-0765-1, FB-16-0765-2, FB-16-0766-1, and FB 16 0766-2
Assessor Parcel Numbers: 028-080-008 and 028-080-015
5. **Resolution of Necessity 2015-0089**
Sandridge Partners Property (Tulare County)
Authority Parcel Numbers: FB-54-0515-1, FB-54-0515-2, FB-54-0515-5, and FB-54-0515-01-01
Assessor Parcel Numbers: 311-050-006 and 311-050-008
6. **Resolution of Necessity 2015-0146**
Leal Property (Kings County)
Authority Parcel Numbers: FB-16-0153-1, FB-16-0152-2, FB-16-0153-3, FB 16 0153-4, FB-16-0153-01-01, FB-16-0180-1, and FB-16-0348-1
Assessor Parcel Numbers: 016-130-053, 016-130-058, and 016-130-059

ACTION ITEM

STAFF ANALYSIS ITEM—1

High Speed Rail Authority
Initial Operating Segment, Section 1
Various Counties

Action Requested

If approved, the requested action would rescind Resolutions of Necessity authorizing the use of eminent domain.

Chatha, Brazil, Machado, De Jong and Sandridge Partners Properties: On July 16, 2018, the Board adopted Resolutions of Necessity authorizing the use of eminent domain to acquire the subject properties. Due to design modifications, the cases have not been filed. For each property, these modifications will require new appraisals and first written offers.

Leal Property: On May 20, 2015, the Board adopted a Resolution of Necessity authorizing the use of eminent domain to acquire the Leal property. Due to design modifications, the existing case will be dismissed without prejudice. These modifications will require a new appraisal and first written offer.

Staff Recommendation: Approve the rescission of Resolutions of Necessity authorizing the use of eminent domain.

ACTION ITEM

ACTION ITEM—2

**HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
VARIOUS COUNTIES**

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1) as reappropriated by the Budget Act of 2018
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1) as reappropriated by the Budget Act of 2018
Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)
Section 39719(b) (2) of the Health and Safety Code
Section 39719.1 of the Health and Safety Code
Section 15854 of the Government Code*

Consider the adoption of Resolutions of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire the following properties for the High Speed Train System:

- 1. Schuh Farms Property (Fresno County)**
Authority Parcel Number: MF-10-0945-1
Assessor Parcel Number: 510-090-46
- 2. Marquez Investment Group Property (Fresno County)**
Authority Parcel Number: MF-10-0946-1
Assessor Parcel Number: 510-090-73
- 3. Flood Property (Kings County)**
Authority Parcel Numbers: FB-16-0438-1, FB-16-0438-3, FB-16-0463-1, and FB-16-0463-2
Assessor Parcel Number: 002-120-036
- 4. te Velde Property (Kings County)**
Authority Parcel Number: FB-16-0744-1
Assessor Parcel Number: 014-020-002
- 5. Hopson Property (Fresno County)**
Authority Parcel Number: FB-10-1364-1
Assessor Parcel Number: 385-081-52

ACTION ITEM

STAFF ANALYSIS ITEM—2

High Speed Rail Authority
Initial Operating Segment, Section 1
Various Counties

Action Requested

Adopt Resolutions of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire properties for the High Speed Train System.

Scope Description

This project is within scope. The Initial Operating Segment, Section 1 (IOS-1) is expected to be approximately 120 miles starting from Madera and extending southward almost to Bakersfield. This initial section includes the realignment of Highway 99 in Fresno and relocation of railroad lines, the construction of bridges over the San Joaquin and Fresno Rivers as well as other waterways, several dozen grade separations, multiple viaducts and trenches, and the acquisition of approximately 1,900 parcels. The IOS-1 is the first construction phase of the High Speed Train System (HSTS). The HSTS consists of Phase 1, which would provide 520 miles of the HSTS extending from San Francisco to Los Angeles/Anaheim, and Phase 2, which would extend the system to Sacramento and San Diego.

Funding and Cost Verification

This project is within cost. Chapter 152, Statutes of 2012, appropriated \$5.850 billion (\$2.609 billion High Speed Passenger Train Fund and \$3.241 billion federal funds) and Chapter 25, Statutes of 2014 provided an additional \$191.4 million Greenhouse Gas Reduction Fund for the IOS-1. In addition, Health and Safety Code section 39719 (b)(2) appropriates 25 percent of the annual proceeds of the Greenhouse Gas Reduction Fund for the Phase 1 Blended System and Health and Safety Code section 39719.1 authorizes repayment of a \$400 million General Fund loan from the Greenhouse Gas Reduction Fund for the Phase 1 Blended System. The IOS-1 is a component of the Phase 1 Blended System.

Background

Under California Eminent Domain Law, the Board is the governing body of the High Speed Rail Authority (Authority) for purposes of adopting a Resolution of Necessity that is required for the Authority to initiate the eminent domain proceedings. In order to adopt a Resolution of Necessity the Board must consider that the following conditions have been met:

- (A) The public interest and necessity require the project;
- (B) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- (C) The property sought to be acquired is necessary for the project; and,
- (D) The offer required by Government Code section 7267.2 has been made to the owner or owners of record.

In 2008 the voters of California approved Proposition 1a, authorizing monies from the High-Speed Passenger Train Bond fund in support of this Project. In 2009 and 2010 the federal government approved funds in support of the portion of this Project extending from San Francisco to Anaheim, and in 2012 and 2014, through Chapter 152, Statutes of 2012 and Chapter 25, Statutes of 2014, the Legislature appropriated funds for the acquisition and design-build phases of the IOS-1 of the Project, extending from Madera to just north of Bakersfield.

Each of the properties is within the right of way for IOS-1 and are within the preferred alignment as previously approved by both the High Speed Rail Authority Board of Directors and the Federal Railroad Administration. Acquisition of these properties will allow the Authority to move forward with construction of the HSTS.

The Authority notified the Board's staff that between August 2018 and October 2018, the various owners were provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. The Authority has informed the Board's staff that negotiations to acquire the properties are continuing; however, in order to keep the project on schedule, the adoption of Resolutions of Necessity to authorize the use of eminent domain is required.

On December 20, 2018, Notices of Intent to adopt a Resolution of Necessity were mailed by the Board to the respective property owners. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Schuh Farms Property (Fresno County)
Authority Parcel Number: MF-10-0945-1
Assessor Parcel Number: 510-090-46
Partial Acquisition: Approximately 0.02 acre in easement

This property will be needed for a permanent easement for an underground Fresno Irrigation District pipeline at North Golden State Boulevard between Santa Ana Avenue and Richert Avenue.

2. Marquez Investment Group Property (Fresno County)
Authority Parcel Number: MF-10-0946-1
Assessor Parcel Number: 510-090-73
Partial Acquisition: Approximately 0.07 acre in easement

This property will be needed for a permanent easement for an underground Fresno Irrigation District pipeline at North Golden State Boulevard between Santa Ana Avenue and Richert Avenue.

3. Flood Property (Kings County)
Authority Parcel Numbers: FB-16-0438-1, FB-16-0438-3, FB-16-0463-1, and
FB-16-0463-2
Assessor Parcel Number: 002-120-036
Partial Acquisition: Approximately 2.35 acres total (1.88 in fee, 0.47 in easement)

This property will be needed for the construction of the HSTS between Cairo Avenue and the Kings River and for the construction of a bridge across the Kings River.

4. Te Velde Property (Kings County)
Authority Parcel Number: FB-16-0744-1
Assessor Parcel Number: 014-020-002
Partial Acquisition: Approximately 0.44 acre in easement

This property will be needed for a temporary construction easement for the Excelsior Avenue grade separation.

5. Hopson Property (Fresno County)
Authority Parcel Number: FB-10-1364-1
Assessor Parcel Number: 385-081-52
Partial Acquisition: Approximately 0.05 acre in fee

This property will be needed for the realignment of the BNSF rail corridor located on the east side of the HSTS between E. Mountain View Avenue and E. Kamm Avenue.

Staff Recommendation: **Adopt Resolutions of Necessity authorizing the use of eminent domain by the Authority to acquire properties for the HSTS.**

OTHER BUSINESS

NONE

REPORTABLES

TO BE PRESENTED AT MEETING